

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07 L-03  
NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 IO-13  
ACDA-07 EB-07 TRSE-00 OMB-01 /086 W  
-----191420Z 096000 /43

R 190824Z JAN 77  
FM AMEMBASSY BERLIN  
TO SECSTATE WASHDC 3955  
INFO AMEMBASSY BONN  
AMEMBASSY BELGRADE  
AMEMBASSY BUCHAREST  
AMEMBASSY BUCAPEST  
AMEMBASSY LONDON  
AMEMBASSY PARIS  
AMEMBASSY PRAGUE  
AMEMBASSY MOSCOW  
AMEMBASSY SOFIA  
AMEMBASSY WARSAW  
USMISSION USBERLIN UNN  
USMISSION NATO

C O N F I D E N T I A L SECTION 1 OF 2 BERLIN 5115

E.O.11652: GDS  
TAGS: PFOR, PINT, GE, GW  
SUBJECT: THE GDR INTERNAL SITUATION

SUMMARY: IN RECENT WEEKS THE REGIME HAS TAKEN A NUMBER OF STEPS DOMESTICALLY AND WITH RESPECT TO BERLIN WHICH RAISE QUESTIONS ABOUT ITS INTENTIONS, THE REASONS FOR THESE STEPS AT THIS TIME, AND HOW FAR IT PLANS TO GO. IN THE EMBASSY'S VIEWN THE REGIME'S DOMESTIC STEPS ARE DESIGNED TO NIP IN THE BUD INTERNAL EVENTS AND DEVELOPMENTS WHICH, IF ALLOWED TO GROW, COULD POTENTIALLY THREATEN THE STABILITY OF ITS RULE. IT IS ALSO THE REGIME'S INTENTION IN MANY OF THESE MEASURES TO CONTAIN THE CONFIDENTIAL

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PRACTICAL IMPACT OF WEST GERMANY ON THE GDR POPULACE, WHICH CONTINUES TO LOOK TO THE WEST RATHER THAN THE EAST IN ASSESSING ITS PROGRESS AND WELL-BEING. IN THE WAKE OF THE FRG ELECTIONS, AND WHAT IT REGARDS AS AN INCREASINGLY CONSERVATIVE FRG LEASERSHIP WHICH AT THE SAME TIME APPEARS IMMOBILIZED ON ITS EASTERN POLICY AND OFFERING NOTHING TO THE GDR, THE REGIME PROBABLY SEES LITTLE REASON AT THIS TIME TO APPEAR ACCOMMODATING OR LESS THAN DETERMINED TO PUT ITS OWN HOUSE IN ORDER. BUT IT WILL DO SO ON A FLEXIBLE BASIS, IN PART BECAUSE

THERE APPEARS TO BE NO SIGN OF A COALESCENCE OF DISGRUNTLED, DISSATISFIED ELEMENTS OF THE POPULATION, AND THEREFORE NO NEED AT PRESENT TO INSTITUTE SWEEPING REPRESSIVE MEASURES. WE THINK THE REGIME TOOK THE BERLIN MEASURES AS PART OF ITS OVERALL POLICY OF DEMONSTRATING NOT ONLY TO THE WORLD BUT ALSO ITS OWN CITIZENS THAT EAST BERLIN IS THE CAPITAL OF THE GDR. IT ALSO MAY HAVE DONE SO IN AN ATTEMPT TO GO ON THE DEFENSIVE SINCE AUGUST. THE REGIME PROBABLY CALCULATED THAT THE MEASURES, WHILE DISTURBING TO THE WESTERN ALLIES WOULD NOT ADVERSELY AFFECT ITS BILATERAL RELATIONS WITH THESE COUNTRIES. MANY WESTERN OBSERVERS HERE ARE INCLINED TO VIEW THE DOMESTIC STEPS THE REGIME HAS TAKEN AS A SIGN OF INSECURITY AND INDECISIVENESS IN THE FACE OF INCREASING EMIGRATION APPLICATIONS, THE BIERMANN CONTROVERSY AND NEW ECONOMIC PRESSURES. THERE HAS BEEN PRESS SPECULATION THAT HARD LINE - SOFT LINE FACTIONAL DIFFERENCES LED TO A LACK OF COORDINATION ON THE LOEWE OUSTER AND THE REVERSAL OF THE ACCESS CONTROL MEASURES AT THE FRG PERMREP MISSION. HOWEVER, WHEN THESE STEPS ARE VIEWED TOGETHER WITH THE BERLIN MEASURES, WE ARE INCLINED TO THINK THE REGIME IS ACTING MORE WITH CONFIDENCE AND ASSURANCE THAN INSECURITY. WE BELIEVE THAT THESE MEASURES WERE WELL-PLANNED AS WARNINGS TO THE FRG AND TO ITS OWN POPULATION, AND THAT THE CONFIDENTIAL

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VERDICT IS NOT YET IN ON THEIR SUCCESS. FINALLY, IN OUR VIEW, THE REGIME IS PREPARED TO TAKE FURTHER STEPS IF NECESSARY, BUT WE SEE NO DEVELOPMENT ON THE HORIZON WHICH WOULD REQUIRE A SHARPER CRACKDOWN DOMESTICALLY. ED SUMMARY.

#### 1. INTRODUCTION AND SETTING

SINCE THE SUMMER OF 1976, A NUMBER OF DEVELOPMENTS APPEARED TO PUT THE REGIME ON THE DEFENSIVE AND REQUIRED ANSWERS WHICH WOULD DETERMINE IN SOME SIGNIFICANT MEASURE THE FUTURE COURSE OF THE GDR. A POOR HARVEST COMPOUNDED AN UNFAVORABLE ECONOMIC SITUATION, CHARACTERIZED BY LAGGING PRODUCTION GROWTH AND APPREHENSION ABOUT THE RISING COST OF RAW MATERIALS. APPLICATIONS TO LEAVE THE GDR APPARENTLY INCREASED AND HIT A PEAK IN THE SUMMER, UNDOUBTEDLY CAUSING THE REGIME CONCERN OVER HOW TO HANDLE ITS CONTINUING FAILURE TO INSTILL A SENSE OF "GDR-HOOD" AMONG THE POPULATION. THE SELF-IMMOLATION OF PASTOR BRUEZEWITZ AND THE CALLOU MEDIA HANDLING OF THE EVENT UNEXPECTEDLY LED TO STRAINS IN CHURCH-STATE RELATIONS AND STRENGTHENED THE HAND OF CONSERVATIVE PASTORS OPPOSED TO ACCOMMODATION WITH THE SED. BALLADEER WOLF BIERMANN'S CALL TO THE YOUTH AT PRENZLAU TO

OPPOSE THE SED WAS ANOTHER DANGER SIGNAL TO THE REGIME. WHILE NOT DIRECTLY RELATED TO GDR-INTERNAL DEVELOPMENTS, SUMMER EVENTS IN POLAND UNDOUBTEDLY MADE THE REGIME EVEN MORE DETERMINED TO KEEP DEVELOPMENTS FROM GETTING OUT OF HAND.

2. TOWARD THIS END, HONECKER TRAVELLED TO THE CRIMEA IN AUGUST TO OBTAIN ASSURANCES FROM BREZHNEV OF ECONOMIC ASSISTANCE AND, WE NOW ASSUME, SUPPORT FOR GOVERNMENTAL CHANGES THAT WOULD ENABLE THE REGIME TO TIGHTEN CONTROL OVER THE POPULATION, AS NECESSARY. STOPH, KNOWN AS A TOUGH ADMISNITRATOR AND AS A SECURITY CONFIDENTIAL

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FIGURE, TOOK OVER FROM SINDERMANN, AND TRAVELLED TO MOSCOW IN DECEMBER, APPARENTLY TO OBTAIN A SOVIET IMPRIMATUR OF HIS NEW DIRECTION IN ECONOMIC AFFAIRS. ONE OF THE REGIME'S AIMS, WE THINK, WAS TO TIE THE GDR'S ECONOMY MORE CLOSELY TO THE USSR'S REVERSING A TREND TOWARD GREATER ENGAGEMENT WITH THE WEST AND REDUCING DEPENDENCE ON A TROUBLESOME AND, IN THE GDR'S EYES, INCREASINGLY ANTI-GDR FRG. WITH THESE ASSURANCES -- BUT NOT BECAUSE OF THEM -- THE REGIME MOVED AGAINST BIERMANN, EXPELLING HIM, AND BEGAN TO TAKE SELECTIVE MEASURES AGAINST INTELLECTUALS WHO SURPRISED THE REIME BY COMING OUT PUBLICLY AGAINST THE BIERMANN OUSTER. AND THE REGIME ALSO UNDERTOOK MEASURES AGAINST THE CORROSIVE INFLUENCE OF THE FRG, ALTHOUGH IN A MANNER, AS OF NOW, WHICH WOULD NOT UPSET THE COURSE OF SOVIET-FRG RELATIONS, AND WHICH IT THINKS IT CAN ADEQUATELY DEFEND AT BELGRADE.

3. THE ECONOMY  
LONG THE MAIN ELEMENT OF THE SED'S LIMITED APPEAL, CONTINUED RAPID IMPROVEMENT IN THE LIVING STANDARD/ SEEMS THREATENED BY ECONOMIC SLOWDOWN, AND THE PARTY IS FACED WITH THE UNPLEASANT TASK OF DISMANTLING THE POPULAR EXPECTATIONS THAT IT HAS SO ASSIDUOUSLY BUILT UP SINCE 1971. THE ECONOMY IS BY NO MEANS IN CRISIS, BUT POOR WATHER, HIGHER RAW MATERIALS COSTS, AND INFLATION AND RECESSION IN WESTERN MARKETS HAVE TAKEN THEIR TOLL, FORCING POSTPONEMENT OF NEEDED MODERNIZATION OF CAPITAL PLANT AT THE SAME TIME COSTLY STRUCTURAL CHANGES IN FAVOR OF INCREASED EXPORT PRODUCTION ARE BEING UNDERTAKEN. THE CUMULATIVE EFFECT IS NOW BEING EXPRESSED IN THE STUBBORN REFUSAL OF PRODUCTIVITY TO RISE RAPIDLY ENOUGH TO SATISFY GDR ASPIRATIONS, AND A GRADUAL DECLINE IN THE RATE OF GROWTH OF THE ECONOMY AS A WHOLE WITH LITTLE PROSPECT OF IMPROVEMENT IN THE FORESEEABLE FUTURE.

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6. THERE IS NOT AT PRESENT SERIOUS CONCERN AMONG THE POPULATION ABOUT THE ECONOMIC SITUATION. FOOD, ENERGY, AND CONSUMER GOODS APPEAR TO BE IN ADEQUATE SUPPLY, NOT ONLY IN BERLIN, BUT IN DISTRICT CAPITALS AND SMALL TOWNS; AND THERE IS NO REASON TO THINK ANY SHARP CHANGE FOR THE WORSE IS IN THE OFFING. THE REGIME'S COMMITMENT TO STABLE PRICES ON BASIC CONSUMER ITEMS REMAINS FIRM, ALTHOUGH PRICES OF SOME MANUFACTURED GOODS HAVE RISEN, THE INCREASES TYPICALLY MASKED BY INTRODUCTION OF AN IMPORTED MODEL OR QUALITY OF GOOD.

7. A PASSAGE IN HONECKER'S NEW YEAR'S MESSAGE REFERRED TO ECONOMIC DIFFICULTIES, IN EFFECT PLACING THE SUBJECT ON THE PUBLIC AGENDA WHERE IT HAD NOT BEFORE BEEN. IT REMAINS TO BE SEEN WHETHER THIS HERALDS FURTHER APPEALS TO ACCEPT LESS FAVORABLE DEVELOPMENT OF INDIVIDUAL LIVING STANDARDS, WHICH WOULD BE UNWELCOME NEWS TO A POPULATION GROWN ACCUSTOMED TO CONTINUOUS IMPROVEMENT IN ITS LIVING STANDARD. IN SUM, CONTINUED IMPROVEMENT OF THE LIVING STANDARD IS IN PROSPECT, BUT PROBABLY AT A SLOWER PACE THAN IN THE PAST, AND A FIRMER GRIP ON THE POPULATION OVERALL MAY TURN OUT TO BE USEFUL TO THE REGIME IF SACRIFICES HAVE TO BE FORNEN.

8. THE INTELLIGENTSIA  
GDR INTELLECTUALS IN THE PAST HAVE BEEN HIGHLY ATOMIZED AND BOUGHT OFF BY THE REGIME WITH EXTENSIVE MATERIAL BENEFITS AND TRAVEL OPPORTUNITIES DENIED MOST OF THE POPULATION. DURING THE PAST FIVE YEARS GDR INTELLECTUALS HAD ALSO COME TO ENJOY A DEGREE OF CULTURAL FREEDOM SURPRISING TO OBSERVERS UNFAMILIAR WITH THE GDR SCENE. WHILE SOME WERE DISSATISFIED THAT RELAXATION WAS NOT PROCEEDING FAST ENOUGH, MANY WERE OPTIMISTIC THAT SED CULTURAL POLICIES WOULD BECOME INCREASINGLY LIBERAL. THE INTELLECTUALS HAVE THUS BEEN DISAPPOINTED BY SED STEPS AGAINST BIERMANN AND HIS SUPPORTERS. IT APPEARS  
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THAT WOLF BIERMANN, LONG A THORN IN THE SIDE OF THE SED BECAUSE OF HIS CALL FOR SERIOUS CHANGES IN THE SYSTEM AND MORE RECENTLY HIS ESPOUSAL OF EURO-COMMUNIST IDEAS, WAS LARGELY UNKNOWN TO THE POPULATION AND HAD LITTLE FOLLOWING IN INTELLECTUAL CIRCLES. HIS OUSTER FROM THE GDR, IN PART BECAUSE HE USED A PRENZLAU CHURCH APPEARANCE TO CALL FOR OPEN OPPOSITION TO THE SED, CAUSED INTELLECTUALS TO COME TOGETHER FOR THE FIRST TIME IN OPPOSITION TO A REGIME MEASURE. BUT THEIR OPPOSITION WAS TO THE MEASURE ITSELF AND NOT BECAUSE THEY WERE FIRM SUPPORTERS OF BIERMANN'S VIEWS, ALTHOUGH THEY PROBABLY SHARE IN SOME MEASURE HIS ADVOCACY OF EURO-COMMUNISM.

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AMEMBASSY PRAGUE  
AMEMBASSY MOSCOW  
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AMEMBASSY ARSAW  
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9. WE HAVE ONE INTERNAL PARTY DOCUMENT WHICH ASSERTS THAT THE PARTY EXPECTED SOME DOMESTIC OPPOSITION TO BIERMANN'S OUSTER. WE TEND TO THINK, HOWEVER, THE REGIME AND THE INTELLIGENTIA WERE BOTH SURPRISED BY THE EXTENT OF THE PETITION SIGNERS. IF THE REGIME DID NOT KNOW BEFOREHAND WHO MOST OF THE POTENTIAL TROUBLEMAKERS WERE, IT DOES NOW. AND IT HAS ACTED SWIFTLY AND DEFTLY TO DEFUSE WHAT IT CONSIDERS A POTENTIALLY DANGEROUS DEVELOPMENT, OUSTING SOME WELL-KNOWN WRITERS FROM THE PARTY, INTERROGATING OTHERS, AND ALLOWING SOME YOUNG, LESS WELL-KNOWN FIGURES TO LEAVE THE GDR.

10. FOR THEIR PART, AND BASED ON LIMITED CONVERSATIONS  
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EMBASSY OFFICERS HAVE HAD WITH SOME OF THE BETTER-KNOWN PETITION SIGNERS, THE GENERAL MOOD AMONG GDR INTELLECTUALS IS ONE OF DISAPPOINTMENT AND RESIGNATION. WE SENSE NO FURTHER TENDENCY TO OPPOSE THE SED OR TO ORGANIZE FOR THIS PURPOSE, OR TO GO TO THE ASSISTANCE OF THE LESS

WELL-KNOWN WRITERS WHO HAVE NO PROTECTION BECAUSE OF WELL-ESTABLISHED INTERNATIONAL REPUTATIONS. THE PARTY

CONTINUES TO FORCE THE BIERMANN DISCUSSION IN CULTURAL CIRCLES AND APPARENTLY STILL HOPES TO PERSUADE PETITION SIGNERS TO WITHDRAW THEIR SUPPORT FOR BIERMANN OR AT LEAST TO ADMIT THAT IT WAS A MISTAKE TO GIVE THE PETITION TO THE WESTERN MEDIA. WHILE IT IS STILL TOO EARLY TO TELL, WE THINK THE REGIME HAS WON THE ROUND IF NOT THE FIGHT WITH THE INTELLECTUALS.

11. CHURCH

THE CHURCH SCENE HAS REMAINED QUIET IN THE FIVE MONTHS SINCE THE SUICIDE OF PASTOR OSKAR BRUESEWITZ IN AUGUST 1976. AT NO TIME SINCE THEN HAS THE CHURCH LEADERSHIP TAKEN AN ACTIVE STAND AGAINST THE SED ON POLITICAL ISSUES, INCLUDING ON THE BIERMANN AFFAIR. BENEATH THE SURFACE, HOWEVER, DIVISIONS WITHIN THE CHURCH HAVE BEEN DEEPENED AS A RESULT OF BRUESEWITZ. THE MAJORITY OF PROTESTANT BISHOPS FAVORS A CONTINUED C ACCOMMODATION WITH THE SED WHICH IT FEELS HAS BROUGHT CONCRETE BENEFITS, INCLUDING MOST RECENTLY THE RIGHT TO CONSTRUCT NEW CHURCHES IN THE GDR. MANY LAYMEN AND PASTORS AT THE BASE, HOWEVER, PARTICULARLY IN THE RURAL AREAS, BELIEVE THAT THE CHURCH LEADERSHIP SHOULD TAKE A HARDER LINE WITH THE STATE IN DEMANDING EQUALITY FOR GDR CHRISTIANS, ESPECIALLY IN EDUCATIONAL OPPORTUNITY.

12. CONSERVATIVE FORCES IN THE PROTESTANT CHURCH

APPEAR TO HAVE BEEN STRENGTHENED BY THE BRUESEWITZ SUICIDE, BUT SO LONG AS THE CHURCH LEADERSHIP FAVORS CONFIDENTIAL

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COOPERATION WITH THE SED, THEIR INFLUENCE IS SLIGHT. IF THE CONSERVATIVE TREND CONTINUES TO GROW WITHIN THE CHURCH, HOWEVER, IT WILL EVENTUALLY AFFECT THE COMPOSITION OF THE CHURCH LEADERSHIP, SINCE PROTESTANT BISHOPS ARE ELECTED BY THE CONGREGATION IN THE GDR AND DO NOT SERVE FOR LIFE. WHILE CHURCH ATTENDANCE AMONG GDR YOUNG IS GROWING SLOWLY, THE EVANGELICAL AND LUTHERAN CHURCHES IN THE GDR REMAIN TOO SMALL TO BECOME A MAJOR FORCE AS THE CHURCH IS IN POLAND.

12. THE POPULAR MOOD

ALTHOUGH HIGHLY SUBJECTIVE, OUR GENERAL IMPRESSION IS THAT THE PUBLIC MOOD AT PRESENT, ALTHOUGH LESS OPTIMISTIC THAN AFTER HELSINKI AND ON A MARKED DOWNSWING IN RECENT WEEKS, IS NOT A CRITICAL PROBLEM FOR THE SED. MOST SIGNIFICANTLY, PREDICTIONS IN THE FRG PRESS THAT THE GDR, BECAUSE OF ITS POOR HARVEST AND STRAINED ECONOMIC SITUATION, WOULD BE IN FOR A TOUGH WINTER ARE NOT BEING BORNE OUT. FOOD AND CONSUMER GOODS APPEAR IN ADEQUATE SUPPLY, AND THE PUBLIC DOES NOT SEEM TO EXPECT OR BE CONCERNED ABOUT SHORTAGES.

13. HOWEVER RECENT TRIPS IN THE GDR BY EMBASSY OFFICERS REVEAL A GROWING PESSIMISM AMONG THE POPULATION ON A POSSIBLE TIGHTENING UP DOMESTICALLY AND REGARDING THE FUTURE COURSE OF FRG/GDR RELATIONS. FOR THOSE GDR CITIZENS WHO THOUGHT ABOUT IT, STOPH'S REPLACEMENT OF THE POPULAR HORST SINDERMANN AT THE TOP OF THE GOVERNMENT WAS PROBABLY A SIGN OF HARDER TIMES TO COME, AS WERE THE OUSTERS OF BIERMANN AND FRG TELEVISION CORRESPONDENT LOEWE. MANY GDR CITIZENS ALSO APPEAR TO BE TAKING GDR CONTROLS AT THE FRG PERM REP AND INCREASED APPLICATION REJECTIONS AT THE LOCAL LEVEL AS SIGNS THAT THE GDR INTENDS TO CRACK DOWN ON EMIGRATION. WORD APPEARS TO HAVE SPREAD FAST THAT THE GDR WAS APPROVING SOME APPLICATIONS NOT BASED ON FAMILY REUNIFICATION. INCREASING NUMBERS THUS BEGAN APPLYING  
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ON THE BASIS OF HELSINKI OR SIMPLE DISSATISFACTION WITH LIFE IN THE GDR. MANY EAST GERMANS SEEM TO FEEL THAT THE GDR WILL NOW REACT AGAINST THE LATTER GROUP WITHOUT FAMILY TIES IN THE FRG. HOW THOSE GDR CITIZENS WHO ARE DISSATISFIED ENOUGH WITH THEIR LOT HERE TO SEEK TO LEAVE WILL REACT TO THE REGIME'S NEW PRESSURES REMAINS TO BE SEEN.

14. IN OUR VIEW, THE REGIME'S MEASURES WILL DISSUADE A SIGNIFICANT NUMBER FROM APPLYING OUT OF MERE DISSATISFACTION BY INCREASING THE RISK INVOLVED. THERE ARE NO SIGNS AT PRESENT THAT THE PUBLIC MOOD, IF THE REGIME REDUCES THE FLOW OF EMIGRATION TO THE FRG, WILL GO BEYOND INCREASED RESIGNATION AND, IN SOME CASES, CONTINUED APPLICATIONS TO LEAVE EVEN AT THE RISK OF LOSING JOBS AND FACING IMPRISONMENT. OUR TENTATIVE CONCLUSION IS THAT THE REGIME WILL LET ENOUGH GO SO THAT IT CAN DEFEND ITS POSITION THAT IT IS CONTRIBUTING IN A HUMANE WAY TO GENUINE FAMILY REUNIFICATIONS. AT THE SAME TIME, IT WILL TURN BACK THOSE WHOSE TIES WITH THE FRG ARE TENUOUS, AND THEREBY DEMONSTRATE TO ITS CITIZENS AND TO THE FRG THAT IT CAN FOLLOW A FIRM, BUT CONSISTENT COURSE THAT CANNOT BE ATTACKED TOO SHARPLY BY THE WEST.

15. FRG INFLUENCE ON THE GDR DOMESTIC SCENE  
LONG A NEURALGIC POINT FOR THE REGIME, THE FRG APPEARS TO BE A MAIN REASON FOR MANY OF THE DOMESTIC MEASURES THE GDR HAS TAKEN RECENTLY. BASED ON CONVERSATIONS WE HAVE HAD WITH SOME LOCAL SOURCES, WE HAVE THE IMPRESSION THE REGIME IS REACTING DEFENSIVELY TO WHAT IT REGARDS AS AN INCREASINGLY CONSERVATIVE AND NATIONALISTIC FRG WHICH, UNDER SCHMIDT AND AS A RESULT OF THE RECENT ELECTIONS, HAS BEEN LESS COMMITTED TO COOPERATE WITH THE GDR THAN UNDER BRANDT. GDR SOURCES HAVE TOLD US THE SED IS ANGERED THAT SCHMIDT HAS NOT GIVEN CLEARER

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SIGNALS, INCLUDING IN HIS DECEMBER GOVERNMENT DECLARATION, ON BETTER RELATIONS WITH THE GDR. AT THE SAME TIME, FRG MEDIA HAS REPORTED ON GDR DOMESTIC PROBLEMS, HIGHLIGHTING THEM AND EXACERBATING THEM, THEREBY ADDING TO THE REGIME'S DIFFICULTIES AND FURTHER ENFLAMING THEIR IRRITATION AT THE FRG. THEY PROBABLY ALSO HAVE ASSESSED THE WEAKNESS OF THE NEW SCHMIDT GOVERNMENT AND ITS RELATIVE IMMOBILITY IN EASTERN POLICY. UNDER THE CIRCUMSTANCES, AND PRESUMABLY ASSURED OF SUFFICIENT ECONOMIC SUPPORT FROM THE SOVIET UNION, THE REGIME PROBABLY SEES LITTLE REASON TO BE ACCOMMODATING TO THE FRG. HENCE IT WAS PREPARED TO TAKE MEASURES IT KNEW WOULD IRRITATE THE FRG, SUCH AS OUSTING LOEWE AND STEPPING UP ITS HARASSMENT OF THOSE WISHING TO LEAVE FOR THE FRG.

16. FUTURE COURSE

WE THINK THE REGIME HAS EMBARKED ON A TOUGHER DOMESTIC COURSE, BUT ONE WHICH HAS A FAIR AMOUNT OF FLEXIBILITY IN IT, IN LARGE PART BECAUSE THE SITUATION IS NOT SERIOUS ENOUGH TO REQUIRE HARSH MEASURES. THE REGIME INTENDS TO PUT THE LID BACK ON, BUT IN A MANNER THAT WILL NOT RESULT IN GREATER DISCONTENT OR DISTRESS ON THE ECONOMIC SITUATION. WITH RESPECT TO THE INTELLECTUAL WORLD, IT HAS ALREADY SIGNALLED ITS READINESS TO TAKE A VARIETY OF MEASURES, WHICH INCLUDE NOT ONLY OUSTERS FROM THE PARTY AS WELL AS FROM THE GDR, BUT ALSO TOLERATING THE REAPPEARANCE OF LEADING INTELLECTUALS ON THE LOCAL SCENE. IT IS CONFIDENT ENOUGH TO ASSUME THAT THIS COMBINATION OF MEASURES IS SUFFICIENT TO STIFLE ANY POTENTIAL PRAGUE SPRING MOVEMENT OR THE DEVELOPMENT OF ANY VOCAL OPPOSITION GROUPS. A MAJOR PROBLEM FOR THE REGIME REMAINS THE FRG, ITS POLICIES AND THE MANNER IN WHICH THE MEDIA HANDLES FRG/GDR DEVELOPMENTS. WE THINK THE REGIME HAS DECIDED IT CAN DO WITHOUT TRYING TO IMPROVE RELATIONS WITH BONN AT THIS TIME.

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IF THIS IS SO, WE THINK IT WILL ADOPT A MORE RESTRICTIVE POLICY ON EMIGRATION, WILL BE LESS LIKELY TO BE FORTHCOMING ON THE RANGE OF NOW-STALLED NEGOTIATIONS, WHETHER ON THE 25 SMALL STEPS, SCIENTIFIC, TECHNICAL OR CULTURAL AGREEMENTS, AND WILL BE A HARDER BARGAINING PARTNER ON MAJOR ECONOMIC PLANS BONN MAY OFFER. WHILE MANY WESTERN OBSERVERS HERE SEE IN RECENT GDR MOVES A SIGN OF INSECURITY, WE ARE INCLINED TO THE VIEW THAT THE REGIME IS ACTING OUT OF CONFIDENCE IN A STICKY SITUATION. OF COURSE THE FACT THAT IT CANNOT TOLERATE DIFFERENCES



OF OPINIONS ON ANY SIGNIFICANT SCALE AMOUNTS IN WESTERN TERMS AMOUNTS  
TO AN ADMISSION OF FAILURE TO CAPTURE THE ALLEGIANCE OF THE  
MAJORITY OF THE POPULATION. BUT IN OUR VIEW, THE HANDLING  
OF THE BIERMANN AFFAIR, THE LOEWE OUSTER, THE HARASSMENT  
OF APPLICANTS AS WELL AS THE CONTINUING TOLERATION OF  
MILLIONS OF WES GERMANS WHO VISIT THE GDR INDICATE  
THE REGIME IS CONFIDENT IT CAN KEEP THE SITUATION UNDER  
CONTROL. POLANSKY

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Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

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**Image Path:**

**ISecure:** 1

**Legacy Key:** link1977/newtext/t19770193/baaaewgg.tel

**Line Count:** 444

**Litigation Code IDs:**

**Litigation Codes:**

**Litigation History:**

**Locator:** TEXT ON-LINE, TEXT ON MICROFILM

**Message ID:** 709884de-c288-dd11-92da-001cc4696bcc

**Office:** ACTION EUR

**Original Classification:** CONFIDENTIAL

**Original Handling Restrictions:** n/a

**Original Previous Classification:** n/a

**Original Previous Handling Restrictions:** n/a

**Page Count:** 9

**Previous Channel Indicators:**

**Previous Classification:** CONFIDENTIAL

**Previous Handling Restrictions:** n/a

**Reference:** n/a

**Retention:** 0

**Review Action:** RELEASED, APPROVED

**Review Content Flags:**

**Review Date:** 14-Jan-2005 12:00:00 am

**Review Event:**

**Review Exemptions:** n/a

**Review Media Identifier:**

**Review Release Date:** n/a

**Review Release Event:** n/a

**Review Transfer Date:**

**Review Withdrawn Fields:** n/a

**SAS ID:** 3681948

**Secure:** OPEN

**Status:** NATIVE

**Subject:** THE GDR INTERNAL SITUATION

**TAGS:** PFOR, PINT, GC, GE, SED

**To:** STATE INFO BONN MULTIPLE

**Type:** TE

**vdkgwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/709884de-c288-dd11-92da-001cc4696bcc

**Review Markings:**

Margaret P. Grafeld

Declassified/Released

US Department of State

EO Systematic Review

22 May 2009

**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009